Comparing Hybrid Services in the United States and China

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ABSTRACT

This paper examines how customers view a set of hybrid services (eleven generic and self-service technologies) in the U.S. and China. The data are collected using questionnaires on location in the U.S. and China and are analyzed using multidimensional scaling. The study indicates that two dimensions, customization/standardization and high/low contact, explain over 80% of the variance in the classifications. Although there are differences when comparing the results of the U.S. and China samples, the results are very consistent between the two countries. Both samples result in two primary dimensions, with minor descriptive differences of the dimensions. The study discusses the significance of the findings for managers and for continuing academic research. The limitations of the study include the nature of the sample and the possible uniqueness of the MDS type utilized. Based on this information, managers are able to see how respondents perceive their service category in relation to other service categories on a cross-cultural basis. Such information may form the basis for further investigation of their service brand in relation to other service brands.

Keywords: China Services, High/Low Contact, Hybrid Services, Multidimensional Scaling, Services

INTRODUCTION

Self-service technologies (SSTs) are technological interfaces that enable customers to produce a service independent of direct service-employee involvement (Meuter, Ostrom, Roundtree, & Bitner, 2000). This is in contrast to what is referred to in this paper as generic services, the traditional set of service offerings not directly tied to a technological interface. SSTs are of interest to researchers because they offer an opportunity to make radical improvements in the effectiveness and efficiency of services. SSTs offer the opportunity to fundamentally alter the delivery of services in both predominantly service industries such as travel and banking as well as industries where there is a combination of physical product and service (Meuter et al., 2000). Customers often enjoy high levels of customer services while providers are able to reduce or eliminate labor costs associated with the provision of the service. SSTs often result in a number of different types of savings for consumers, for example convenience, time,
money, and reduction in consumer stress (Bitner, 2001; Meuter et al., 2000).

Many academic researchers raise potential questions regarding the effectiveness of traditional service marketing techniques when marketing SSTs because of the way that consumers perceive and react to SSTs (Dabholkar, 1994, 1996; Meuter & Bitner, 1998; Schneider & Bowen, 1995).

Researchers raise this issue when focusing on consumer attitudes towards SSTs (Curran, Meuter, & Suprenant, 2003), readiness to adopt SSTs (Lin & Hsieh, 2007; Shamdasani, Mukherjee, & Malhotra, 2008), and consumer satisfaction with SSTs (Beatson, Coote, & Rudd, 2006; Lin & Hsieh, 2007; Meuter et al., 2000; Oyedele & Simpson, 2007; Sweeney & Lapp, 2004; Weijters, Rangarajan, Falk, & Schilwewaert, 2007; Yen, 2005). Researchers also question traditional service marketing techniques when examining the impact of technology and situational variables on the attitudes and intentions of consumers (Dabholkar, 1996; Dabholkar & Bagozzi, 2002; Meuter, Ostrom, Bitner, & Roundtree, 2003). By contrast, they place less emphasis on SST design choices (Zhu, Nakata, Sivakumar, & Grewal, 2007) and more on the service attributes of SSTs and user needs (Cho & Park, 2003). One study compares cross-cultural variations in SSTs focusing on the demographic differences of SST usage (Nilsson, 2007).

While research has evaluated the performance and reasons for acceptance of SSTs (Bitner, 2001), academic researchers have very little knowledge of how consumers classify SSTs. Classification schemes for services have great importance to academic research because they help in the development of theories in research areas (Hunt, 1983). Further, researchers also suggest that service classification studies provide managerial insights because of the similarities and delineations that they provide among services (Lovelock, 1983; Bowen, 1990). There are numerous classifications for services but until recently, few classification studies of SSTs (Cunningham, Young, & Gerlach, 2008). There are no currently published cross-cultural SST classification studies. Researchers seem reluctant to undertake cross-cultural classification studies because of the variations of SST services offered in developed economies and limited SST services in developing economies. The purpose of this research is to explore customer-based classification of SSTs in a highly developed country such as the United States and a rapidly developing country, China.

The study uses multidimensional scaling (MDS) analysis of consumer perceptions of hybrid services (generic and SSTs) using a similar methodology to that used in studies classifying consumer perceptions of generic services (Iacobucci & Ostrom, 1996; Cunningham, Young, & Lee, 1997; Licata & Mowen, 1997). There is a long history of service classification work involving generic services, although the bulk of the early work is normative rather than empirical. More recent research focuses on how customers perceive generic services (Cunningham et al., 1997; Iacobucci & Ostrom, 1996; Licata & Mowen, 1997) while other research uses a priori classification bases to examine SSTs (Dabholkar, 1994; Meuter et al., 2000).

Developing a research approach to SSTs from a consumer and cross-cultural perspective helps explain customer expectations and behaviors regarding SSTs in a cross-cultural setting. Senior management may use resulting service mapping to better understand the similarities or differences in how the services are perceived in the different markets and make changes in the positioning of those services in the minds of customers in and across the respective markets.

While the abundance of SSTs in the U.S. environment facilitates measurement of consumer views of such services, this task is compounded in difficulty in environments where the services are less developed and the number and variety of SSTs is less abundant. In order to facilitate such comparisons, this study conducts an analysis of a hybrid of both generic services and SSTs from a cross-cultural perspective. Hence, the study includes unique samples from the U.S. and from China.
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